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APPLICATION NO.	FILING DATE	FIRST NAMED INVENTOR	ATTORNEY DOCKET NO.	CONFIRMATION NO.
10/624,837	07/21/2003	Don Teague	2072.007US1	6575
21186	7590	06/25/2008	EXAMINER	
SCHWEGMAN, LUNDBERG & WOESSNER, P.A. P.O. BOX 2938 MINNEAPOLIS, MN 55402				MURDOUGH, JOSHUA A
3621		ART UNIT		PAPER NUMBER
06/25/2008		MAIL DATE DELIVERY MODE		

Please find below and/or attached an Office communication concerning this application or proceeding.

The time period for reply, if any, is set in the attached communication.

Office Action Summary	Application No.	Applicant(s)	
	10/624,837	TEAGUE ET AL.	
	Examiner	Art Unit	
	JOSHUA MURDOUGH	3621	

-- The MAILING DATE of this communication appears on the cover sheet with the correspondence address --

Period for Reply

A SHORTENED STATUTORY PERIOD FOR REPLY IS SET TO EXPIRE 3 MONTH(S) OR THIRTY (30) DAYS, WHICHEVER IS LONGER, FROM THE MAILING DATE OF THIS COMMUNICATION.

- Extensions of time may be available under the provisions of 37 CFR 1.136(a). In no event, however, may a reply be timely filed after SIX (6) MONTHS from the mailing date of this communication.
- If NO period for reply is specified above, the maximum statutory period will apply and will expire SIX (6) MONTHS from the mailing date of this communication.
- Failure to reply within the set or extended period for reply will, by statute, cause the application to become ABANDONED (35 U.S.C. § 133). Any reply received by the Office later than three months after the mailing date of this communication, even if timely filed, may reduce any earned patent term adjustment. See 37 CFR 1.704(b).

Status

1) Responsive to communication(s) filed on 28 March 2008.

2a) This action is **FINAL**. 2b) This action is non-final.

3) Since this application is in condition for allowance except for formal matters, prosecution as to the merits is closed in accordance with the practice under *Ex parte Quayle*, 1935 C.D. 11, 453 O.G. 213.

Disposition of Claims

4) Claim(s) 1-3,5-9,11-18 and 20-27 is/are pending in the application.

4a) Of the above claim(s) _____ is/are withdrawn from consideration.

5) Claim(s) _____ is/are allowed.

6) Claim(s) 1-3,5-9,11-18 and 20-27 is/are rejected.

7) Claim(s) _____ is/are objected to.

8) Claim(s) _____ are subject to restriction and/or election requirement.

Application Papers

9) The specification is objected to by the Examiner.

10) The drawing(s) filed on _____ is/are: a) accepted or b) objected to by the Examiner.
Applicant may not request that any objection to the drawing(s) be held in abeyance. See 37 CFR 1.85(a).
Replacement drawing sheet(s) including the correction is required if the drawing(s) is objected to. See 37 CFR 1.121(d).

11) The oath or declaration is objected to by the Examiner. Note the attached Office Action or form PTO-152.

Priority under 35 U.S.C. § 119

12) Acknowledgment is made of a claim for foreign priority under 35 U.S.C. § 119(a)-(d) or (f).

a) All b) Some * c) None of:
 1. Certified copies of the priority documents have been received.
 2. Certified copies of the priority documents have been received in Application No. _____.
 3. Copies of the certified copies of the priority documents have been received in this National Stage application from the International Bureau (PCT Rule 17.2(a)).

* See the attached detailed Office action for a list of the certified copies not received.

Attachment(s)

1) Notice of References Cited (PTO-892)
 2) Notice of Draftsperson's Patent Drawing Review (PTO-948)
 3) Information Disclosure Statement(s) (PTO/SB/08)
 Paper No(s)/Mail Date 3/28/2008.

4) Interview Summary (PTO-413)
 Paper No(s)/Mail Date. _____.
 5) Notice of Informal Patent Application
 6) Other: _____.

DETAILED ACTION

Acknowledgements

1. Claims 1-3, 5-9, 11-18, and 20-27 are pending and have been examined.

Continued Examination Under 37 CFR 1.114

2. A request for continued examination under 37 CFR 1.114, including the fee set forth in 37 CFR 1.17(e), was filed in this application after final rejection. Since this application is eligible for continued examination under 37 CFR 1.114, and the fee set forth in 37 CFR 1.17(e) has been timely paid, the finality of the previous Office action has been withdrawn pursuant to 37 CFR 1.114. Applicant's submission filed on 26 March 2008 has been entered.

Claim Rejections - 35 USC § 112 2nd Paragraph

3. The following is a quotation of the second paragraph of 35 U.S.C. 112:

The specification shall conclude with one or more claims particularly pointing out and distinctly claiming the subject matter which the applicant regards as his invention.

4. Claims 5 and 12 are rejected under 35 U.S.C. 112, second paragraph, as being indefinite for failing to particularly point out and distinctly claim the subject matter which applicant regards as the invention.

5. As noted in the previous action, claim 5 depends from claim 4 which has been cancelled. Therefore, the scope of the claim cannot be determined. Again, the Examiner has interpreted this claim as though it depends from claim 1.

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6. Claim 12 depends from claim 10 which has been cancelled. This claim is rejected under the same reasoning as claim 5. The Examiner has interpreted this claim as though it depends from claim 8.

Claim Rejections - 35 USC § 101

7. 35 U.S.C. 101 reads as follows:

Whoever invents or discovers any new and useful process, machine, manufacture, or composition of matter, or any new and useful improvement thereof, may obtain a patent therefor, subject to the conditions and requirements of this title.

8. Claims 1-3, 5-7, 14-18, 21, 22, 26 and 27 are rejected under 35 U.S.C. § 101 because the claimed invention is directed to non-statutory subject matter.

a. Based on Supreme Court precedent¹ and recent Federal Circuit decisions, a § 101 process must (1) be tied to another statutory class (such as a particular apparatus) or (2) transform underlying subject matter (such as an article or materials) to a different state or thing.² If neither of these requirements is met by the claim(s), the method is not a patent eligible process under 35 U.S.C. § 101.

In the case of claims 1-3, 5-7, 14, 15, 26 and 27, condition (1) is not met because there is no device or apparatus claimed that performs the process or method steps recited; and condition (2) is not met because there is no article or material being transformed by the method or process claimed. Applicant(s) are encouraged to amend the claims to

¹ *Diamond v. Diehr*, 450 U.S. 175, 184 (1981); *Parker v. Flook*, 437 U.S. 584, 588 n.9 (1978); *Gottschalk v. Benson*, 409 U.S. 63, 70 (1972); *Cochrane v. Deener*, 94 U.S. 780, 787-88 (1876).

² The Supreme Court recognized that this test is not necessarily fixed or permanent and may evolve with technological advances. *Gottschalk v. Benson*, 409 U.S. 63, 71 (1972).

positively identify the device(s) or apparatus performing the method steps in order to have this rejection withdrawn.

b. Claims 16-18, 21, 22, 24 and 25 appear to be an attempt to claim software embodied on a medium, which is consistent with what the Office deems appropriate. However, as it is currently worded in claims 16 and 24, "[a] machine-readable medium *for embodying a sequence of instructions,*" (emphasis added) the instructions are not necessarily present because of the word "for." By removing the word "for," Applicants would make it a positive limitation which would overcome this rejection. As it is currently worded, claim 16 recites a generic medium that can be used to store a particular program. As the other claims are similar in scope to the program and not the medium, clearly, Applicants consider the program as their invention and not the medium per se. The Examiner has treated these claims as if the word "for" has been removed in order to provide a more useful examination for the Applicants.

Claim Rejections - 35 USC § 102

9. The following is a quotation of the appropriate paragraphs of 35 U.S.C. 102 that form the basis for the rejections under this section made in this Office action:

A person shall be entitled to a patent unless –

(b) the invention was patented or described in a printed publication in this or a foreign country or in public use or on sale in this country, more than one year prior to the date of application for patent in the United States.

10. Claims rejected under 35 U.S.C. §102(b) as being anticipated by Bahreman (US 6,061,665).

11. As to claim 1, Bahreman shows:

A method comprising:

receiving consumer information (weighting of payment methods) associated with a consumer (Client) (Column 10, lines 43-62);

identifying at least one approved payment option from a plurality of payment options (one or more messages corresponding to payment protocols, Id.)

utilizing the consumer information, the at least one payment option being valid for the consumer (mutually acceptable, Id.);

generating a list of approved payment options (comprising options “the client and the merchant are equipped to process efficiently and securely” Id.), the list including the at least one approved payment option (the approved option is picked from the list);

communicating the at least one approved payment option to the consumer for selection by the consumer (the list is communicated to the client, Id.); and

requesting that the consumer selects a payment option from the list (both the client, or consumer, and the merchant pick, through a weighting, a payment option or multiple payment options they prefer. Id.).

12. As to claim 5, Bahreman further shows:

storing the approved payment option for the consumer for use in future transactions (Column 15, lines 16-24).

13. As to claim 6, Bahreman further shows:

the plurality of available payment options include at least one of a credit card option, a phone bill option, an ACH option, a payment by check option, a direct bill option, and a prepayment option (Column 1, lines 22-33).

14. As to claim 7, Bahreman further shows:

identifying the at least one approved payment option to the consumer includes identifying a payment option utilizing vendor payment option preference (weighting is by client and merchant, Column 10, lines 43-62).

15. As to claim 8, Bahreman shows:

A system comprising:

a communication module **350** to receive consumer information(weighting of payment methods by client, Column 10, lines 43-62);

an approved payment options generator module **360** to:

select, from a plurality of payment options (stored in Figure 3, element 394), at least one approved payment option (mutually acceptable, Column 10, lines 43-62), utilizing the consumer information, and

generate a list of at least one approved payment options (one or more messages corresponding to payment protocols, Id.), the list of approved payment options including the selected at least one approved payment option utilizing the consumer information (the approved option is picked from the list); and

a selection module **320** to present the consumer with an option to select a payment option from the list of at least one approved payment options (discussed in, Column 15, lines 26-50).

16. As to claim 9, Bahreman further shows:

the option includes providing additional consumer information (“It may also need input from the user”, Id.).

17. As to claim 12, Bahreman further shows:

the plurality of available payment options include at least one of a credit card option, a phone bill option, an ACH option, a payment by check option, a direct bill option, and a prepayment option (Column 1, lines 22-33).

18. As to claim 13, Bahreman further shows:

the payment options rules engine is to identify a payment options presentation format, utilizing vendor payment option preference (weighting is by client and merchant, Column 10, lines 43-62).

19. As to claim 14, Bahreman shows:

A method comprising:
providing consumer information (weighting of payment methods) associated with the consumer (client)to a transaction processing facility (credit cards are inherently

processed by a facility other than the merchant as are checks and ACH transactions) (Column 10, lines 43-62); receiving at least one approved payment option (mutually acceptable, Id.) selected from a plurality of payment options from the transaction processing facility (comprising options “the client and the merchant are equipped to process efficiently and securely” Id.), the at least one approved payment option identified based on the consumer information presenting a list of payment options (both the client, or consumer, and the merchant provide weighted lists of options, Id.), the list including the at least one approved payment option to the consumer (if it is picked, it was on both lists); and requesting that the customer selects an approved payment option from the list (both the client, or consumer, and the merchant pick, through a weighting, a payment option or multiple payment options they prefer. Id.).

20. As to claim 16, Bahreman shows:

A machine-readable medium for embodying a sequence of instructions that, when executed by the machine, cause the machine to: receive consumer information (weighting of payment methods) associated with a consumer (Client) (Column 10, lines 43-62); identify at least one approved payment option from a plurality of payment options (one or more messages corresponding to payment protocols, Id.) utilizing the consumer

information, the at least one payment option being valid for the consumer (mutually acceptable, Id.); and communicate the at least one approved payment option to the consumer for the selection by the consumer (the list is communicated to the client, Id.); and requesting that the customer selects an approved payment option from a list including the at least one approved payment option identified based on the consumer information (both the client, or consumer, and the merchant pick, through a weighting, a payment option or multiple payment options they prefer. Id.).

21. As to claim 20, Bahreman further shows:

the approved payment option for the consumer is stored for use in future transactions (Column 15, lines 16-24).

22. As to claim 21, Bahreman further shows:

the plurality of available payment options include at least one of a credit card option, a phone bill option, an ACH option, a payment by check option, a direct bill option, and a prepayment option (Column 1, lines 22-33).

23. As to claim 22, Bahreman further shows:

identifying the at least one approved payment option to the consumer includes identifying a payment option utilizing vendor payment option preference (weighting is by client and merchant, Column 10, lines 43-62).

24. As to claim 23, Bahreman shows:

A system comprising:

means for receiving consumer information (weighting of payment methods) (Column 10, lines 43-62);

means for selecting, from a plurality of payment options, at least one approved payment option (mutually acceptable, Id.), utilizing the consumer information (selection is done through the weighting by both parties, Id.);

means for generating a list of at least one approved payment options (comprising options “the client and the merchant are equipped to process efficiently and securely” Id.), the list of approved payment options including the selected at least one approved payment option (the approved option is picked from the list) utilizing the consumer information (Id.); and

means for presenting the consumer with an option to select a payment option from the list of at least one approved payment options (both the client, or consumer, and the merchant pick, through a weighting, a payment option or multiple payment options they prefer. Id.).

25. As to claim 24, Bahreman shows:

A machine-readable medium for embodying a sequence of instructions that, when executed by a machine, cause the machine to:

provide consumer information (weighting of payment methods) associated with a consumer to a transaction processing facility (credit cards are inherently processed by a facility other than the merchant as are checks and ACH transactions) (Column 10, lines 43-62); receive at least one approved payment option (mutually acceptable, Id.) selected from a plurality of payment options from the transaction processing facility based on the consumer information (comprising options “the client and the merchant are equipped to process efficiently and securely” Id.), the at least one payment option being valid for the consumer (to come to an agreement on the method, it has to be valid for both); present the at least one approved payment option to the consumer for selection by the consumer (if it is picked, it was on both lists); and request that the customer selects an approved payment option from a list including the at least one approved payment option identified based on the consumer information(both the client, or consumer, and the merchant pick, through a weighting, a payment option or multiple payment options they prefer. Id.).

26. As to claim 26, Bahreman further shows:

receiving a response to the request that the consumer selects a payment option from the list (communication is bidirectional to decide on the method, Id.).

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27. As to claim 27, Bahreman further shows:

the response is a selection of a payment option from the list (the selection must be on both lists to be accepted, Id.).

Claim Rejections - 35 USC § 103

28. The following is a quotation of 35 U.S.C. 103(a) which forms the basis for all obviousness rejections set forth in this Office action:

(a) A patent may not be obtained though the invention is not identically disclosed or described as set forth in section 102 of this title, if the differences between the subject matter sought to be patented and the prior art are such that the subject matter as a whole would have been obvious at the time the invention was made to a person having ordinary skill in the art to which said subject matter pertains. Patentability shall not be negated by the manner in which the invention was made.

29. This application currently names joint inventors. In considering patentability of the claims under 35 U.S.C. 103(a), the examiner presumes that the subject matter of the various claims was commonly owned at the time any inventions covered therein were made absent any evidence to the contrary. Applicant is advised of the obligation under 37 CFR 1.56 to point out the inventor and invention dates of each claim that was not commonly owned at the time a later invention was made in order for the examiner to consider the applicability of 35 U.S.C. 103(c) and potential 35 U.S.C. 102(e), (f) or (g) prior art under 35 U.S.C. 103(a).

30. Claims 3, 11, and 18 are rejected under 35 U.S.C. 103(a) as being unpatentable over Bahreman in view of Dykstra (US 5,611,052).

31. As to claims 3, 11, and 18, Bahreman shows as discussed above in regards to claims 1, 8, and 16. Bahreman does not expressly show:
identifying the at least one approved payment option includes generating a reliability score value utilizing the consumer information.

However, Dykstra shows the evaluation of a reliability score (credit score) of the consumer prior to approving a loan as a payment method (Abstract). Therefore, it would have been obvious to one of ordinary skill in the art at the time of the invention to have modified the teachings of Bahreman to include the credit score analysis of Dykstra in order reduce the likelihood of non-payment.

32. Claims 2, 15, 17, and 25 are rejected under 35 U.S.C. 103(a) as being unpatentable over Bahreman.

While the Examiner's primary position is that these claims are inherently shown by Bahreman, in case it is not inherent, they would be obvious to implement in the manner claimed.

As to claims 2, 15, 17, and 25, Bahreman teaches as discussed above in regards to claims 1, 14, 16, and 24, but does not expressly show:

monitoring a request by the consumer for a further payment option, the further payment option differing from the at least one approved payment option;

communicating to the consumer a request for additional consumer information; and

selectively approving the request by the consumer for the further payment option based on the additional consumer information.

However, Bahreman does show the consumer presenting payment options to the merchant which, if the merchant is capable of using, could end up as the payment option being used (Column 10, lines 43-62). Bahreman generically discusses the bidirectional communication between the parties with multiple messages representing different payment options (Id.). Therefore, if not inherent, it would have been obvious to one of ordinary skill in the art at the time of the invention to have modified the teachings of Bahreman to implement a manner of

negotiation where, the negotiation does not stop when an acceptable alternative is arrived at, but continues until the preferred method is established, even if that method is introduced by the consumer not the merchant. This would allow the greatest level of satisfaction between both parties as the preferred method takes into account both parties preferences.

Claim Interpretations

33. Claim 8 and its dependents recite “modules” that perform different tasks that make up a system. Often, “module” is used to describe a section of code in a computer program. After reviewing Applicants’ specification, this interpretation seems to be inconsistent with at least some of the “modules,” such as the “processor module **66**” and the “communications module **67**.” Therefore, the Examiner has interpreted all of the modules to have some hardware component as well as any potential software. If this is not a correct interpretation, Applicants should clearly state what the intended interpretation is, while keeping in mind the non-statutory nature of unembodied software.

34. Claim 23, while reciting “means for” has not been interpreted as invoking 35 USC 112 ^{6th} paragraph. If Applicants intended to invoke a “means plus function” interpretation for this claim, they should state this on the record after reviewing the specification to ensure there is appropriate support for it.

Response to Arguments

35. Applicant's arguments with respect to claims 1-3, 5-9, 11-18, and 20-27 have been considered but are moot in view of the new ground(s) of rejection.

Conclusion

36. Any inquiry concerning this communication or earlier communications from the examiner should be directed to JOSHUA MURDOUGH whose telephone number is (571)270-3270. The examiner can normally be reached on Monday - Thursday, 7:00 a.m. - 5:00 p.m.

37. If attempts to reach the examiner by telephone are unsuccessful, the examiner's supervisor, Andrew Fischer can be reached on (571) 272-6779. The fax phone number for the organization where this application or proceeding is assigned is 571-273-8300.

38. Information regarding the status of an application may be obtained from the Patent Application Information Retrieval (PAIR) system. Status information for published applications may be obtained from either Private PAIR or Public PAIR. Status information for unpublished applications is available through Private PAIR only. For more information about the PAIR system, see <http://pair-direct.uspto.gov>. Should you have questions on access to the Private PAIR system, contact the Electronic Business Center (EBC) at 866-217-9197 (toll-free). If you would like assistance from a USPTO Customer Service Representative or access to the automated information system, call 800-786-9199 (IN USA OR CANADA) or 571-272-1000.

J. M.
Examiner, Art Unit 3621

/ANDREW J. FISCHER/
Supervisory Patent Examiner, Art Unit 3621